

10 February 1951

MEMORANDUM FOR ALL DIVISION DIRECTORS, RR

FROM: Assistant Director for Research and Reports

SUBJECT: Commodity and Industry Studies

1. Attached are some embryonic ideas on an outline for commodity and industry studies which were stimulated by some proposals of the Industry Division.

2. My tentative notion of how we might proceed is somewhat as follows:

a. These studies should be run through very hastily, once for a wide range of industries and commodities using only knowledge already in the heads of analysts or easily available data now in the shop. Where all we are reasonably sure of is a range of data, we should indicate it ("somewhere between ___ and ___"). Where we have no data we should say so. Parts of the outline will be more relevant to some items, other parts to others. Parts not important for an item should be omitted.

b. This outline was drawn with the USSR proper in

mind. It could also apply to the Orbit as a whole or, with modifications, to Satellites or groups of satellites.

c. Tentative conclusions should be stated for all items as in Section V of the outline on the basis of this quickie analysis.

d. These conclusions should be the basis for selecting what look like the most important items for further study, and the most important problems relating to those items.

e. More intensive studies should then be made of the priority items, exhausting in so far as possible, relevant material available in the government.

f. These studies will reveal critical gaps in our information, which can be the basis for designing priority requirements for further data collection.

3. Outlines of a similar character but differing in detail could be drawn up for the service functions of transport, communications, power, etc.

4. Will you circulate this outline among your analysts,

collect their ideas as to the main elements in it, and prepare to
discuss them at an early meeting.

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DRAFT OUTLINE FOR INDUSTRY AND COMMODITY STUDIES

I. Introductory

- A. General description of nature and uses of product.
- B. History in USSR.
- C. General description of technology now employed.
- D. Summary of location and capacity of facilities.
- E. Organization of the industry.
- F. Why is it important to know about this industry or resource?

II. Requirements

- A. Domestic civilian requirements. (By category)
- B. Export requirements.
 - 1. To support economies of satellite or occupied areas.
 - 2. For potential economic warfare purposes; e.g.,
dumping, offers of assistance to countries on the
fence, etc.
 - 3. To secure essential imports
 - a. By barter
 - b. By sale for dollars or other exchangeable currency.
- C. Military requirements for
 - 1. Maintenance of stand-by forces
 - 2. Limited operations, e.g.
 - a. Indo-China
 - b. Yugoslavia
 - c. Western Germany

3. What disadvantages would this entail?

III. Supplies

A. Domestic productive capacity - USSR - latest figures

1. (For industries) Number, location, and characteristics of plants (with maps). (For raw materials) quantities and locations of original deposits.
2. Capacity output under sustained normal operation, by regions.
3. Emergency maximum output.

B. Actual production, by region, with historical trends.

C. Trends

1. Recent rate of growth of output
2. (For industries) potential increases of capacity

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- a. By new plant construction
- b. By diversion of plant from other uses.
- 3. (For raw materials) potential expansion of supplies
 - a. By more intensive exploitation of known reserves
 - b. By discovery of new reserves
- D. Stocks
 - 1. Working inventories
 - 2. Strategic reserves.
- E. External sources (to USSR)
 - 1. Supplies available from satellites (derived from similar studies of satellite position).
 - 2. Availability from outside iron curtain
 - a. Principal sources
 - b. Recent volume of imports
 - c. Supplies available from countries potentially subject to USSR conquest.
 - d. Effect of western control measures

IV. Input use and requirements (each for various levels of output indicated in II)

- A. Principal raw materials required
- B. Fuel and power requirements
- C. Transport requirements for both inputs and outputs.
- D. Manpower requirements and supplies
 - 1. Total employment - numbers of people, hours of work, number of shifts, etc.
 - 2. Skill distribution, with special attention to skills

believed to be in short supply.

3. Managerial personnel
4. Technical and scientific personnel, including dependence, past or present, on foreign experts, US and other, and technical assistance. Probable use of German personnel pre-War II.

V. Summary of significant conclusions with respect to:

A. Capabilities -

1. Assuming allied economic warfare no more vigorous than at present, is this item now a limitation on any course of action by USSR? Which? Short run? Long run?
2. If yes, what are key factors limiting future expansion of supplies in USSR?

B. Vulnerabilities. What steps (cold or hot) taken by us would most effectively restrict supplies available to USSR? How long would it take to feel the pinch?

C. Intentions. If we had accurate knowledge of actual and potential supplies, would it tell us anything conclusive about intentions? Would different levels of types of output clearly indicate different probable courses of action?

VI. Appendix: Where outside CIA is important work being done on this item and by whom?

- A. Other IAC agencies
- B. Non-IAC agencies of govt.
- C. Private Universities, industrial research labs, research institutes, etc.?